

Message Text

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ACTION XMB-04

INFO OCT-01 ARA-06 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02

CIEP-01 OMB-01 /046 W

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P 082048Z SEP 76

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC PRIORITY 8192

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DEPT PASS EXIMBANK/EDWARD J. O'CONNOR

E.O. 11652: N/A

TAGS: EFIN, ENRG, DR

SUBJ: EXIMBANK FINANCING FOR GE ELECTRIC GENERATORS

REF: A) SANTO DOMINGO 4155, B) 75 STATE 264613, C) SANTO DOMINGO

A-99

1. CDE ADMINISTRATOR JULIO SAURI MET YESTERDAY WITH PRESIDENT BALAGUER ON THE SUBJECT OF PURCHASING FOUR 116 MEGAWATT (MW) GENERATORS OVER NEXT TWO OR THREE YEARS. ALTHOUGH SAURI RECOMMENDED THAT FIRST TWO BE PURCHASED FROM GE AND SECOND TWO FROM SPANIARDS, BALAGUER INSTRUCTED HIM TO INQUIRE IMMEDIATELY ABOUT PURCHASING ALL FOUR FROM GENERAL ELECTRIC. BALAGUER ALSO ASKED ABOUT CRASH PROGRAM FOR INSTALLING SMALLER GAS-TURBINE GENERATORS IN ORDER TO COPE WITH DETERIORATING ELECTRIC POWER SITUATION, AND INSTRUCTED SAURI TO REPORT BACK IN FIVE DAYS.

2. EARLIER GE RECEIVED A LETTER OF INTENT FROM SAURI (SEE REFTEL A) ON PURCHASING THE FIRST 116 MW GENERATOR, AND EVEN THOUGH IT IS BETTER THAN MOST OF SAURI'S LETTERS OF INTENT, IT IS NOT RPT NOT A FIRM COMMITMENT, AND THE SALE OF THE FIRST 116 MW GENERATOR MAY DEPEND ON EXIMBANK FINANCING FOR THE SECOND 116 MW GENERATOR REFERRED TO IN REFTEL A.

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3. LOCAL PRESS TODAY CARRIES PHOTOGRAPHS OF PRESIDENT BALAGUER AND SAURI WITH TWO JAPANESE OFFICIALS, A. ENOMURA, REPORTED TO BE THE DIRECTOR OF OPERATIONS OF NIPPON COEL, LTD., OF TOKYO, AND HAIME KOIZUMI, OF THE SAME FIRM. THE TWO ARE SUPPOSED TO HAVE MADE A 15-DAY STUDY OF CDE'S PROBLEMS, BUT ARE SAID ALSO TO BE PUSHING THE SALE OF MITSUBITSHI GENERATORS.

4. EMBASSY UNDERSTANDS JAPANESE HAVE OFFERED TO DIVERT TO THE DOMINICAN REPUBLIC GENERATORS SLATED FOR ARGENTINA. ITALIAN FIRM UNDER SPONSORSHIP OF SECRETARY OF INDUSTRY AND COMMERCE GUIDO D-ALESSANDRO IS ALSO ACTIVELY PUSHING GENERATORS.

5. LOCAL GE REPRESENTATIVE HERB HUNT ADVISED AMBASSADOR TODAY THAT GE WOULD PROBABLY NEED EXIMBANK FINANCING EVEN FOR SMALL GAS-TURBINE GENERATOR BUT THAT GE COULD DELIVER THESE WITHIN ONE OR TWO MONTHS' TIME. EMBASSY WISHES TO ALERT EXIMBANK AT THIS TIME TO PROBABLE APPROACH FROM GE.

6. WE WOULD ALSO LIKE TO REEMPHASIZE IMPORTANCE FOR REASON STATED REFTEL A OF MOVING QUICKLY ON ARRANGING ADDITIONAL FINANCING.
HURWITCH

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, GOVERNMENT PROCUREMENT, ELECTRIC GENERATORS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ellisoob
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SANTO04381
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760339-1116
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760981/aaaacrqb.tel
Line Count: 83
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 SANTO DOMINGO 4155, 75 STATE 264613
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAY 2004 by CunninFX>; APPROVED <22 SEP 2004 by ellisoob>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIMBANK FINANCING FOR GE ELECTRIC GENERATORS
TAGS: EFIN, ENRG, DR, GENERAL ELECTRIC, XMB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006